# Department of Health and Human Services

# OFFICE OF
# INSPECTOR GENERAL

## Administration on Aging's Health Care Fraud and Abuse Programs

### 18-Month Outcomes

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# E X E C U T I V E   S U M M A R Y

## PURPOSE

To report on 18-month performance of the Administration on Aging's (AoA) two health care fraud and abuse control programs.

## BACKGROUND

The AoA asked the Office of Inspector General (OIG) to assess the performance and implementation of its two health care fraud and abuse control programs: the Health Care Anti-Fraud, Waste, and Abuse Community Volunteer Program and the Health Insurance Portability and Accountability Act (HIPAA)-funded Program. AoA will use this information to inform Congress and others about the programs' performance and to develop guidance for current and future projects.

Both of these programs aim to educate beneficiaries about health care fraud, waste, and abuse, but operate somewhat differently. The community volunteer program receives $2 million and provides grants to 12 organizations to recruit and train retired professionals to conduct group sessions to educate beneficiaries. This program has recently been expanded to $7 million. The second program receives $1.4 million in funding under the Health Insurance Portability and Accountability Act (HIPAA) of 1996. The goal of this program is to train aging network staff and volunteers to educate Medicare beneficiaries about health care fraud, waste, and abuse as part of their ongoing activities.

In response to AoA's request, the OIG developed two reports. This report presents 18-month performance data for the two programs and a companion report entitled, *AoA's Health Care Fraud and Abuse Programs: Implementation Issues* OEI-02-99-00111, describes implementation issues and effective practices of the two programs. The findings in these reports are based on self-reported data that were not independently verified.

## FINDINGS

**The AoA's two anti-fraud programs educated thousands of beneficiaries who identified some instances of health care fraud, waste, and abuse.**

In their first 18 months of operation, AoA's two anti-fraud programs trained a total of 13,700 aging network staff, volunteers, and retired seniors to be Medicare educators and resources. These trainers educated at least 71,460 Medicare beneficiaries about how to identify and report

suspected instances of health care fraud and abuse. Additionally, the two programs reported conducting 570 media events and 2,880 community education activities.

In total, the programs referred 871 allegations to Medicare contractors or other agencies for follow-up. These referrals generated 133 complaints that resulted in some action. The projects also reported that an estimated $1.24 million in Medicare funds and $102,000 in Medicaid and other funds may be recouped as a result of their efforts.

**The two programs produced different results.**

The community volunteer projects recruited and trained 3,700 individuals to educate beneficiaries. More than half were retired professionals. These trainers educated about 58,700 beneficiaries and family members in group sessions, teaching them how to identify and report health care fraud and abuse. They reached another 2,000 beneficiaries in one-on-one sessions. In total, five community volunteer projects reported a potential $1.24 million in Medicare savings.

The HIPAA-funded projects trained over 10,000 individuals who were primarily ombudsman staff and volunteers or health insurance counselors. These trainers were able to reach at least 10,000 beneficiaries. The HIPAA-funded projects did not specifically report data on the number of beneficiaries reached in one-on-one sessions. None of these projects could document any potential Medicare savings as of 18 months, partly because many of these projects did not track complaint outcomes.

## CONCLUSION

Two outcome measures are particularly important for measuring the performance of these two programs: the number of beneficiaries educated and the amount of money saved by the programs.

**Educating Beneficiaries:** Both programs educated an impressive number of beneficiaries. The community volunteer program, however, appeared to reach a greater number of beneficiaries than the HIPAA-funded program. This difference was partly due to the different approaches that the two programs implemented. Specifically, the community volunteer program generally followed a train-the-trainer approach in which the trainers conducted group sessions, whereas the HIPAA-funded program trained existing network staff and volunteers who met with beneficiaries one-on-one, as part of their ongoing responsibilities.

**Tracking Savings:** Direct evidence about savings was difficult to obtain. While the programs were successful in educating beneficiaries, there was no direct evidence that they produced more savings than the amount of money that was invested in them. There are a number of reasons for this lack of evidence. First, beneficiaries are often encouraged to call their provider or Medicare contractor with problems and projects may not be aware of these activities. Second, the projects

are relatively new and not all of them have developed tracking systems for the complaints that come to their attention.  Third, the investigative and prosecutorial processes are lengthy and therefore 18 months may not be enough time to achieve significant savings.  Lastly, there is likely to be a sentinel effect from this initiative that is reducing inappropriate billing.

Additionally, we found that performance among the projects was very uneven.  While many projects were successful in educating beneficiaries and in identifying some savings, almost an equal number produced minimal results during the first 18 months of the program.

Based on these findings, we encourage AoA to continue its work with the projects to identify and institutionalize effective practices.  Further, as AoA expands the community volunteer program, it needs to assist new grantees so that they do not  "reinvent the wheel" as they start-up their efforts.  We hope that this report and our companion report will help AoA achieve these objectives and help new grantees, as well as current projects, implement effective practices and improve future performance.


COMMENTS

We received comments from AoA.  They pointed out the difficulty in tracking specific dollar savings early in the program.  However, they are optimistic that the thousands of trained beneficiaries will have a significant impact on fraud, waste, and abuse in the Medicare program.  The full text of AoA's comments can be found in Appendix D.